

**UNIVERSITY  
OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
FINANCIAL STATEMENTS  
MARCH 31, 2013**

Independent Auditor's Report  
Statement of Financial Position  
Opening Statement of Financial Position - ASNFPO  
Statement of Changes in Net Assets  
Statement of Operations  
Statement of Cash Flows  
Notes to Financial Statements  
Campus Restaurant - Schedule

## INDEPENDENT AUDITOR'S REPORT

To the members,  
University of the Fraser Valley Student Union Society,  
Abbotsford, BC

I have audited the accompanying financial statements of the University of the Fraser Valley Student Union Society, which comprise the statement of financial position as at March 31, 2013 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the society as at March 31, 2013 and its financial performance, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Other Matter**

As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

## INDEPENDENT AUDITOR'S REPORT (Cont'd)

The figures on the opening statement of financial position for accounting standards for not-for-profit organizations as at April 1, 2011 were reported on by a previous independent auditor's report.

Burnaby, BC  
September 13, 2013

*David Curl Inc.*

Chartered Accountant

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2013**

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**ASSETS**

	<u>OPERATING FUND</u>	<u>BUILDING FUND</u>	<u>CAPITAL FUND</u>	<u>HEALTH AND DENTAL PLAN FUND</u>	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>						
Monies held by the University of the Fraser Valley	227,007	3,736,935	18,167	65,939	4,048,048	3,064,656
<b>EQUIPMENT AND LEASEHOLDS (Note 2)</b>	<u>5,891</u>	-	-	-	<u>5,891</u>	<u>13,717</u>
	<u>232,898</u>	<u>3,736,935</u>	<u>18,167</u>	<u>65,939</u>	<u>4,053,939</u>	<u>3,078,373</u>
<b>NET ASSETS</b>						
<b>UNRESTRICTED NET ASSETS</b>	232,898	-	-	-	232,898	96,829
<b>RESTRICTED – BUILDING FUND</b>	-	3,736,935	-	-	3,736,935	2,932,306
<b>RESTRICTED – CAPITAL FUND</b>	-	-	18,167	-	18,167	49,558
<b>RESTRICTED – HEALTH AND DENTAL PLAN FUND</b>	-	-	-	65,939	65,939	(320)
	<u>232,898</u>	<u>3,736,935</u>	<u>18,167</u>	<u>65,939</u>	<u>4,053,939</u>	<u>3,078,373</u>

**APPROVED BY THE EXECUTIVE COMMITTEE**

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President

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Director of Finance

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
OPENING STATEMENT OF FINANCIAL POSITION  
FOR ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS  
APRIL 1, 2011**

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**ASSETS**

	OPERATING FUND	BUILDING FUND	CAPITAL FUND	HEALTH AND DENTAL PLAN FUND	
<b>CURRENT ASSETS</b>					
Monies held by the University of the Fraser Valley	168,435	2,115,111	95,359	(800)	2,378,105
<b>EQUIPMENT AND LEASEHOLDS</b>	24,185	-	-	-	24,185
<b>WEBSITE</b>	2,190	-	-	-	2,190
	194,810	2,115,111	95,359	(800)	2,404,480

**NET ASSETS**

<b>UNRESTRICTED NET ASSETS</b>	194,810	-	-	-	194,810
<b>RESTRICTED – BUILDING FUND</b>	-	2,115,111	-	-	2,115,111
<b>RESTRICTED – CAPITAL FUND</b>	-	-	95,359	-	95,359
<b>RESTRICTED – HEALTH AND DENTAL PLAN FUND</b>	-	-	-	(800)	(800)
	194,810	2,115,111	95,359	(800)	2,404,480

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2013**

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	<u>OPERATING FUND</u>	<u>BUILDING FUND</u>	<u>CAPITAL FUND</u>	<u>HEALTH AND DENTAL PLAN FUND</u>	<u>2013</u>	<u>2012</u>
<b>BALANCE, BEGINNING</b>	96,829	2,932,306	49,558	(320)	3,078,373	2,404,480
Excess (deficiency) of revenue over expenditures	177,797	804,629	-	(6,860)	975,566	673,893
Capital fund transfer	31,391	-	(31,391)	-	-	-
Health and dental plan fund transfer	<u>(73,119)</u>	<u>-</u>	<u>-</u>	<u>73,119</u>	<u>-</u>	<u>-</u>
<b>BALANCE, ENDING</b>	<u>232,898</u>	<u>3,736,935</u>	<u>18,167</u>	<u>65,939</u>	<u>4,053,939</u>	<u>3,078,373</u>

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2013**

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	OPERATING FUND	BUILDING FUND	CAPITAL FUND	HEALTH AND DENTAL PLAN FUND	2013	2012
<b>REVENUE</b>						
ATM Commission	3,463	-	-	-	3,463	4,208
Building fees	-	774,254	-	-	774,254	783,090
Health and dental plan	-	-	-	678,181	678,181	704,128
Interest	9,035	65,107	-	-	74,142	42,270
Other	10,969	-	-	-	10,969	5,074
Soft drink contract	18,359	-	-	-	18,359	14,762
Student fees	665,495	-	-	-	665,495	588,130
U-Pass fees	933,547	-	-	-	933,547	897,185
	<u>1,640,868</u>	<u>839,361</u>	<u>-</u>	<u>678,181</u>	<u>3,158,410</u>	<u>3,038,847</u>
<b>EXPENDITURES</b>						
Advertising and promotion	14,209	-	-	-	14,209	22,022
Amortization	7,826	-	-	-	7,826	14,394
Awards, bursaries and scholarships	2,000	-	-	-	2,000	4,300
Campus Restaurant – Schedule	115,435	-	-	-	115,435	140,263
Catalogue	11,834	-	-	-	11,834	16,088
Club and association funding	46,490	-	-	-	46,490	51,622
Events	69,135	-	-	-	69,135	84,813
Health and dental plan	-	-	-	685,041	685,041	731,872
Insurance	1,314	-	-	-	1,314	3,192
Legal and accounting	13,976	34,732	-	-	48,708	25,148
Office	29,768	-	-	-	29,768	43,435
Professional development	12,761	-	-	-	12,761	17,058
Repairs and maintenance	9,609	-	-	-	9,609	14,752
Subcontracts	95,072	-	-	-	95,072	118,405
Telephone	1,800	-	-	-	1,800	2,728
Travel	5,732	-	-	-	5,732	3,733
Wages and benefits	164,740	-	-	-	164,740	150,358
U-Pass expenses	861,370	-	-	-	861,370	920,771
	<u>1,463,071</u>	<u>34,732</u>	<u>-</u>	<u>685,041</u>	<u>2,182,844</u>	<u>2,364,954</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>177,797</u>	<u>804,629</u>	<u>-</u>	<u>(6,860)</u>	<u>975,566</u>	<u>673,893</u>

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2013**

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	<u>2013</u>	<u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	975,566	673,893
Add item not affecting cash		
Amortization	<u>7,826</u>	<u>14,394</u>
Cash provided by operating activities	<u>983,392</u>	<u>688,287</u>
<b>INVESTING ACTIVITIES</b>		
(Purchase) of equipment and leaseholds	<u>-</u>	<u>(1,736)</u>
Cash (used for) investing activities	<u>-</u>	<u>(1,736)</u>
<b>INCREASE IN CASH</b>	983,392	686,551
Monies held by the University of the Fraser Valley, beginning	<u>3,064,656</u>	<u>2,378,105</u>
<b>MONIES HELD BY THE UNIVERSITY OF THE FRASER VALLEY, ENDING</b>	<u>4,048,048</u>	<u>3,064,656</u>



**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2013**

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**DESCRIPTION OF ORGANIZATION**

The University of the Fraser Valley Student Union Society is a non-profit organization incorporated under the Society Act of British Columbia effective October 5, 1995.

The mission of the University of the Fraser Valley Student Union Society is to create a strong, unified student voice and to provide innovative and valuable services to its members by advocating on behalf of and collaborating with the Student Body, University of the Fraser Valley and the community.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**i. Equipment and leaseholds**

Equipment and leaseholds are recorded at cost and are amortized over their estimated useful life using the straight-line method at the following rates:

Office equipment	- 20%
Leaseholds	- 20%

**ii. Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received. All fees are recognized as revenue when received.

**iii. Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Significant items subject to such estimates and assumptions included the estimated useful life of equipment and leaseholds. Actual results could differ from those estimates.

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2013**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**iv. Financial statement presentation**

In order to more clearly reflect the various divisions of the society's activities, the society has adopted a fund accounting basis of presentation as follows:

- The operating fund, which reflects assets, liabilities, revenues and expenditures relating to the general operations of the society;
- The building fund, which reflects amounts set aside for the creation of a student union building.
- The capital fund, which reflects amounts set aside for future, major capital expenditures of the society.
- The health and dental plan fund, which reflects amounts reserved to improve the health and dental plan for the student's benefits.

**2. EQUIPMENT AND LEASEHOLDS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value 2013</b>	<b>2012</b>
Equipment and leaseholds	<u>238,693</u>	<u>232,802</u>	<u>5,891</u>	<u>13,717</u>

Amortization in the amount of \$ 7,826 (2012 - \$ 12,204) has been recorded in the accounts for the year as described in Note 1.

**3. PURPOSE OF THE SOCIETY**

The purposes of the University of the Fraser Valley Student Union Society (The Society) are as follows:

- (a) To organize students on a democratic basis for advancing students' interests, and advancing the interests of the student community;
- (b) To promote equality among all its members through the practice and promotion of non-discriminatory attitudes and events;
- (c) To provide an official and responsible student organization with the power to receive student complaints, investigate student problems, and participate in decisions affecting students;
- (d) To promote artistic, literary, educational, intellectual, social, and charitable activities for the benefit of its members and others, and not to own, operate, or manage a social club;
- (e) To acquire by gift, bequest, lease, exchange or purchase any lands, buildings or hereditament, whether freehold or leasehold for the use of The Society, and to erect on such lands and buildings or improvements necessary for proper use and occupation by The Society;
- (f) To facilitate the achievement of the goal of a system of post-secondary education which is accessible to all, of high quality, rationally planned, and which recognizes the legitimacy of student representation and the validity of students' rights, and whose role in The Society is clearly recognized and appreciated.

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2013**

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**4. COMMITMENTS**

The Society leases specified office equipment pursuant to operating leases which expire in 2017. The following is a schedule of future minimum lease payments for the next four years:

2014	2,446
2015	2,446
2016	2,446
2017	<u>2,446</u>
	<u>9,784</u>

**5. FINANCIAL ASSETS AND LIABILITIES**

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. Items that meet the definition of a financial instrument include monies held by the University of the Fraser Valley. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

i) Credit risk:

The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

ii) Interest rate risk:

The risk that the fair value of financial instruments will fluctuate due to changes in market interest rates is managed through compliance with the Society's investment policy. The Society has no interest-bearing liabilities.

Fluctuations in interest rates do not have a significant effect on monies held by the University of the Fraser Valley.

iii) Liquidity risk

Liquidity risk is the risk that the Society will not be able to fund its obligations as they come due, including being unable to liquidate assets in a timely manner at a reasonable price. The Society monitors forecasts of cash flows from operations and monies held by the University of the Fraser Valley. Any interest income from these monies is not a primary source of revenue for the Society.

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2013**

**6. CAPITAL MANAGEMENT**

The Society's capital consists of operating, building, capital and health and dental plan capital as detailed in the statement of financial position.

The Society's objective when managing its capital is to safeguard the Society's ability to continue as a going concern and to serve the needs of its members. As at March 31, 2013, the Society's Fund balance totalled \$ 4,053,939 (2012 -\$ 3,078,373). The Society's objectives when managing capital are to provide sufficient funding to carry out its functions, duties and powers and maintain financial strength. There are no externally imposed requirements on the Society.

**7. ADOPTION OF CANADIAN STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

Effective January 1, 2012, the Society adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO). These are the Society's first financial statements prepared in accordance with ASNFPO, which has been applied retrospectively. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and in the preparation of the opening ASNFPO statement of financial position at April 1, 2011 (the Society's date of transition). The Society issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by CICA Handbook – Accounting part V. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the Society, and accordingly no adjustments have been recorded in the comparative statement of financial position and the statements of changes in net assets, operations and cash flows. Certain of the Society's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

**UNIVERSITY OF THE FRASER VALLEY  
STUDENT UNION SOCIETY  
CAMPUS RESTAURANT - SCHEDULE  
YEAR ENDED MARCH 31, 2013**

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	<u>2013</u>	<u>2012</u>
<b>REVENUE</b>		
Sales	<u>142,576</u>	<u>161,918</u>
<b>EXPENDITURES</b>		
Advertising	1,025	3,596
Insurance	10,892	4,260
Office and miscellaneous	10,752	11,591
Repairs and maintenance	8,638	12,114
Subcontracts	75,068	104,535
Supplies	108,580	118,912
Travel	68	174
Wages and benefits	<u>42,988</u>	<u>46,999</u>
	<u>258,011</u>	<u>302,181</u>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>(115,435)</u>	<u>(140,263)</u>